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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 002094

SIPDIS

NEA FOR FRONT OFFICE AND NEA/IPA; PRM FOR FRONT OFFICE AND  
PRM/ANE; NSC FOR KUMAR; DEPT PLEASE PASS TO USAID FOR  
ANE/MEA:MCCLOUD/BORODIN

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TAGS: [ECON](#) [ETRD](#) [EAID](#) [PREF](#) [IS](#) [GZ](#) [PTER](#)

SUBJECT: GAZANS FACE COOKING GAS SHORTAGE, HIGH PRICES  
HEADING INTO WINTER

REF: JERUSALEM 1705

¶1. (SBU) Summary: Humanitarian and commercial shipments from Israel into Gaza in October continued at levels generally consistent with previous months. However, a serious shortage of cooking gas (used for heat and sterilization, as well as food preparation) in recent weeks has led to the closure of bakeries, and impacted the delivery of medical services. USAID halted some humanitarian relief into Gaza for three weeks due to interference by local authorities, but plans to re-start shipments next week. End summary.

#### Crossings

¶2. (SBU) Kerem Shalom crossing (at the convergence of Israel, Egypt, and Gaza) and the conveyor belt at Karni (on Gaza's eastern border with Israel) remain the primary crossing points for shipments from Israel into Gaza. According to the UN Office of the Coordinator of Humanitarian Affairs (OCHA), 1,536 truckloads of supplies entered Gaza through Kerem Shalom in October, compared with 1,426 truckloads in September and 1,817 truckloads in August. OCHA considers just over 20 percent of these shipments to be humanitarian. In October, 597 truckloads of supplies passed via the Karni conveyor, in comparison to 615 truckloads in September and 632 in August.

¶3. (SBU) The Nahal Oz fuel terminal (adjacent to Karni) was the principal location for fuel transfers from Israel to Gaza in October, but fuel shipments are increasingly being routed through Kerem Shalom. Gaza-based fuel contacts report that they understand the GOI intends to close Nahal Oz fuel station entirely within two months. According to Oxfam International, the new fuel station at Kerem Shalom provides capacity to transfer both cooking gas and fuel oil for the Gaza power plant, though the facility is reportedly less efficient than Nahal Oz because of capacity, expense, and distance from the plant and large population centers.

¶4. (SBU) While petrol and diesel pass through the crossings for UNRWA's use, and occasionally for private consumption, local consumer demand is almost entirely met via smuggled fuel from Egypt. OCHA estimates that 100,000 liters of petrol and 100,000 liters of diesel are transferred through the tunnels daily.

#### Cooking Gas Shortages

¶5. (C) According to NGO sources, only 400 tons of cooking gas (LPG) were transferred into Gaza during the first two weeks of November, primarily through Kerem Shalom. The total amount transferred for the month of October was 1,600 tons

(an estimated 23 percent of total demand). Press reports have cited a shortage of cooking gas at hospitals -- where fuel is required for sterilizing medical equipment -- as well as small businesses, like bakeries. Prime Minister Salam Fayyad told the Consul General on November 18 that he had been inundated with calls about the gas shortage in recent days. Demand for LPG goes up in cold weather, as the canisters are also used to power small home heating units.

¶6. (C) Muhammad Khozendar, one of the largest fuel distributors in Gaza, told EconOff on November 18 that the current LPG crisis is a direct result of the GOI's decision to shift the transfer of fuel from Nahal Oz to Kerem Shalom. Khozendar called the decision "premature," and argued that Kerem Shalom does not have the necessary capacity. He claims Gaza requires about 300 tons of LPG per day (or approximately 10 truckloads at 30 tons/truck) during the winter months. According to Khozendar, the Nahal Oz pipeline can fill 10 truckloads of LPG over an eight-hour period. In the same period, Kerem Shalom's pipeline can only fill 2.5 trucks.

¶7. (C) Khozendar claims that as a result of the Gaza-wide reductions of LPG, almost every bakery has closed, with only three or four operating full-time, using diesel fuel. He also said the lack of LPG is leading to a crisis among chicken farmers, as 40 percent of Gaza's chicken population has perished because of the lack of heat. As a result, the price of chicken has increased from NIS 8/kilo to NIS 13/kilo.

Food  
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¶8. (SBU) Food supplies make up the bulk of shipments into Gaza from Israel, constituting 67 percent of the truckloads in October. According to the UN, approximately 75 percent of Gaza's population relies on food aid. The Food and Agricultural Organization (FAO) and World Food Programme (WFP) released a report on the Gaza Strip in November, stating that the Gazan population is sustained at the most basic or minimum humanitarian standard. According to the report, 60 percent of households in Gaza are "food insecure," and an additional 16 percent are "vulnerable to food insecurity." While food is available, widespread poverty in Gaza is the principal cause behind the crisis -- the main problem facing Gazans is affordability of basic items. The NGO Mercy Corps, which distributes food aid in Gaza, has not observed a change in the food situation for better or worse.

¶9. (SBU) The GOI is expected to allow 7,000 cows into Gaza for the Eid al-Adha holiday at the end of November. Local contacts report that 2,700 cows entered through Kerem Shalom as of November 13. Approximately 1,500 cows entered Gaza for the holiday last year.

Electricity  
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¶10. (SBU) According to the Acting Director of the Gaza Electricity Distribution Company (GEDCO), Hani Salman, Gaza requires 270MW of electricity, yet only approximately 190MW is available from the Gaza power plant (55MW), Israel (117MW) and Egypt (17MW). With typical rolling blackouts of four to eight hours per day, Salman noted the rise in energy demand in the winter risked increased energy cuts that would affect health, water, and sanitation. Contacts at GEDCO note the need for imported materials to maintain the network.

Hamas Continues to Test the Limits  
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¶11. (C) USAID humanitarian relief shipments to local NGOs were halted on October 30, after the Hamas-led "Ministry of Social Affairs" (MoSA) demanded beneficiary lists for relief

distributions be "coordinated" through the Ministry.  
According to the UN, after the UN told MoSA that this  
condition would cause major donors to halt all shipments to  
Gaza, MoSA reportedly dropped this demand. USAID will  
attempt to re-start shipments through its network of local  
NGO partners on November 23.  
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